

Maricopa County Policies and Procedures	Subject: Countywide Competitive Analysis Policy	Number: B2001 Issue Date: 6/97
Approved:	Initiating Department: County Administration	

## **A. Purpose**

The purpose of this policy is to provide County-wide direction for Competitive Analysis Processes. This policy will help to ensure County operations function at a level that is consistent with the County's Strategic Goals. These goals include quality service, productivity and economy. The Competitive Analysis Policy provides the ground rules by which the County will call for quotations, bids or proposals from public and private industry to determine the most effective manner of providing County services at a reasonable cost. The policy covers moving services outside of the County as well as bringing services back inside of the County. This policy shall govern Competitive Analysis Projects and shall prevail in such projects over any conflicting provisions in the Maricopa County Procurement Code or any other County policies to the extent not in violation of state law.

Note: Where the policy refers to the Department of Materials Management, it is intended that the reference applies to the County entity that is responsible for overseeing County procurement. This policy was formerly referred to as the Countywide Competitive Privatization Policy.

## **B. Policy**

In initiating any Countywide competitive analysis the following shall be considered:

### **1. Identification of Departmental Services for Analysis:**

- a. Services will be identified and considered for analysis which have potential cost savings or service quality issues. These can be either County operated, contracted, or anticipated new services.
- b. Priority will be given to proposed new services, which may require additional staff or capital outlay, and those whose current contracts that will expire in the near future which may be brought in-house.
- c. Services will be considered for analysis during the annual budget process and at other times as requested by the Board of Supervisors (BoS), County Administrative Officer, or County departments.

### **2. Approval Authority:**

- a. Board of Supervisors approval will be required to begin any formal competitive analysis projects, for the issuance of all Requests for Information (RFI), Invitation for Bid (IFB), Request for Proposals (RFP), Multiple Bid Steps (MS), or contract awards related to any competitive analysis project. Prior to formal project initiation, a department may perform, without Board of Supervisor approval, a non-binding informal analysis to help determine if a subsequent project is justified.
- b. The Board of Supervisors shall at all times reserve the right to provide the service by a County department irrespective of a lower public/private bidder or Evaluation Committee recommendations.

### **3. Ensure Compliance With County Policies and Procedures:**

- a. A "level playing field" will be established by the use of comparable data in establishing equality within the bidding process.

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- b. County departments currently performing the service under consideration, or desiring to perform services currently contracted, for competitive analysis, will have the opportunity to bid along with other public entities and private firms, or submit a cost proposal if the department is not significantly changing the way they perform business. The specific process for handling offers of County departments including requirements for cost comparison will be strictly adhered to, as outlined in Procedures Section III. B. (11).
- c. No conflict of interest shall exist between County Elected Officials, Appointed Officials, employees and potential vendors, including sub-contractors.
- d. All RFI, IFB, RFP, MS and Contracts shall be reviewed by Human Resources and County Counsel for compliance with personnel rules, legal standards and statutes pertaining to the bidding process and applicable policies and regulations. Bidding processes will be in compliance with this policy and all procedures described herewith.
- e. Any County employee may bid on contracts for services considered for analysis as outlined in Procedure Section III C.
- f. County departments may utilize existing services which have been competitively bid through the competitive analysis process as outlined in Procedure Section V. All competitive analysis efforts in progress at the time of adoption of this policy and all previously completed competitive analysis efforts shall conform to this requirement.

#### 4. Employee Relations Impact

- a. Current department employees must be given a "right of first refusal" for job opportunities which could result from the award of a contract.
- b. Departments which are being considered for competitive analysis will not fill vacant positions and will utilize temporary employees until a function can be contracted. Exceptions may be approved by the Chief Officers on a case by case basis with appropriate justification.
- c. Transfers or reassignments within a County department or to other County departments will be used during the analysis process, and wherever feasible, to provide for employee retention. Employee re-training will take place in these instances, if possible.
- d. Competitive analysis efforts will follow strict compliance with the County's Reduction In Force policy.
- e. Informational meetings will be held with employee groups that are targeted for competitive analysis. These groups will be organized by the affected department heads and attended by Human Resources and other departments deemed essential to addressing employee concerns. A periodic newsletter will be published to keep employees abreast of the current competitive bidding projects and their status.

#### 5. Fiscal Review and Evaluation

- a. A cost comparison model as set forth in the solicitation will be provided by all bidders to ensure a fair and equitable comparison of costs and to identify avoidable expenses. This will also ensure a "level playing field" for all competitors.

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- b. The cost of performance monitoring and contract administration will be included as a key cost factor in all competitive proposals.
- c. Services currently contracted for under consideration to be brought in-house may only be considered for analysis at the beginning of the budget year ,at contract renewal date or with express written consent of the County Administrative Officer.
- d. Savings resulting from a change in the delivery system will be allocated to the appropriate fund, and reprogrammed for use as determined by the BoS.

#### 6. Operational Actions

- a. The use of comparable resources may be utilized in order to establish a level playing field when negotiating and/or comparing technical proposals without pricing.
- b. Wherever economically feasible and appropriate, the County will preserve some in-house service capacity.
- c. The Chief Officers (CHIEF OFFICERS) will appoint an interdepartmental Evaluation Committee to review submitted bids/proposals and the County cost estimate. This committee may include County department directors or their designees, other County staff as deemed qualified, the Chief Resource Officer, the Internal Auditor, or a technical consultant, not to exceed five (5) voting members. No member of the committee shall be an employee of the department under competitive analysis.
- d. A monitoring mechanism is required to cover all contracts awarded, including in-house bids awarded. Contract monitors shall be County employees and are an integral part of the Total Quality Management process. CHIEF OFFICERS will oversee the process for selecting contract monitors. (See Section VI. on Contract Monitoring).
- e. All competitive proposals shall be based on BoS established service-delivery levels.
- f. IFB's, RFP's and (MS), shall contain specific statements of work, including complete specifications. IFB's shall be the preferred instrument utilized in outsourcing due to specificity of requirements and the maximum benefits derived by the County. Where specificity of requirements is not available, MS's shall be the preferred instrument utilized in outsourcing.
- g. All competitive analysis efforts in progress at the time of adoption of this policy shall conform to the requirements herein.
- h. Departments will identify all vendor contracts scheduled to expire or subject to renewal during an outsourcing process. Every effort will be made to extend these for a period long enough to provide for review and analysis. This extension will allow the impact of the contract to be determined.
- i. A thorough investigation of previous performance will be made on all outside bidders prior to award of contract.

#### 7. Waiver - Waiver of this policy may take place upon approval by the Board of Supervisors.

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## C. DEFINITIONS

Analysis, Outsourcing, Alternative Service Delivery, Service Contracting and Competitiveness (are used interchangeably within this document): The use of the public/private sector in government operations and delivery of public services. See Attachment "A", for an in-depth definition of analysis as forms of outsourcing defined\*.

Evaluation and Award: A clause contained in IFB/RFP's that cites the need for cost comparison.

Invitation for Bid (IFB): Except for construction, means all documents including detailed scope of work and/or technical specifications whether attached or incorporated by reference, which are used for soliciting bids in accordance with the procedures prescribed in Section MC1-316 of the Maricopa County Procurement Code.

Level Playing Field: Refers to the use of comparable data in establishing equality within the bidding process.

Multi-Step Bid Process (MS): This procedure is used when the scope of work cannot be accurately and completely defined; the service can be provided in several different ways, most of which could be made acceptable and on a level playing field through negotiation; and the expected responses may contain a different level of service than that requested, requiring negotiation to match the proposal with the needs of the County. Step one includes negotiation of unpriced proposals. Step two is the sealed bid pricing process. Step three is the evaluation and comparison of bids.

New Services: Services not currently provided by the County.

Notice of Cost Comparison: The notice in IFB/RFP's/MS's which explains the process for handling offers made by current County departments.

Operating Department: The County department which is currently providing the service or function.

Request for Information (RFI): Informal requests for financial and/or operational information deemed necessary to determine status of further Competitive Analysis efforts. No contract is implied.

Request for Proposal - Competitive Negotiation (RFP): The submission of proposals based on a generalized scope of work with contract award to the responsible person(s) submitting the most advantageous and responsive proposal.

Specification: An accurate description of the technical requirements for a service, product or material, including the procedure by which it will be determined that the requirements have been met.

Statement of Work: A document that establishes and defines all non-specification requirements for contractor performance. The content of a work statement should contain only qualitative and quantitative design and performance requirements.

## **D. PROCEDURES**

### PURPOSE

The purpose of these procedures is to provide a means for the evaluation of services for comparison purposes in overlaying the annual budget development process. County operated, new, and contracted services may be analyzed for selection. In addition, services may include those currently County operated services being considered for outsourcing or contracted services under consideration to be brought back in-house. Proposed changes in service delivery or service levels which increase the cost of the service above that authorized through the budget process may result in cancellation of the proposal or bid. This policy also provides that any cost saving resulting from contracting under this policy may be allocated to the appropriate fund and reprogrammed for use as determined by the BoS. CHIEF OFFICERS will provide management oversight of the procedures described in the following sections.

### I. INITIAL SERVICE SELECTION

- A. During the annual budget process, CHIEF OFFICERS, in concert with the BoS, County Administrative Officer and Departments, will develop a list of services to be competitively bid during the new fiscal year. As a part of this process a determination shall be made as to whether the County has the authority to competitively analyze the service.
  - a. Services will be considered for analysis during the annual budget process and, as requested, by the BoS, County Administrative Officer, and County departments.
  - b. The BoS may revise the Competitive Analysis list developed during the annual budget process at any time.
  - c. Priority will be given to all "new" services or current contracts which will expire in the near future and are being considered for bringing the service in-house, or internal to the County.
  - d. When a priority situation is proposed by a department, the following steps will be taken.
    - 1. When the department prepares a BoS agenda item for a new service, or one to be brought in-house, it must make a recommendation concerning whether the service should be competitively bid. The dollars budgeted for this new service must be identified in the agenda item.
    - 2. During CHIEF OFFICERS's normal review of the agenda item, a separate recommendation concerning analysis will be prepared. Services currently under contract may be considered if action corresponds to contract renewal date or the beginning of the budget year.
    - 3. If the priority service is approved and competitive bidding is required, the competitive process will begin as outlined in this procedure.

### II. ANALYSIS OF SERVICE

- A. After a service has been selected for possible competitive bidding, a number of steps will be undertaken. Different methodologies will be utilized based on the type of service contemplated or impacted. Departments will supply the information needed to CHIEF OFFICERS for financial analysis. (This must include the budgeted dollars and related service levels.) Operating departments in conjunction with Materials Management will provide all non-financial information necessary. CHIEF OFFICERS will advise the department of the information needed.

- B. The results will be reviewed by CHIEF OFFICERS to determine whether additional analysis is to be conducted. CHIEF OFFICERS will keep the BoS advised of the disposition of each project and, as required, of steps in the process. In the case of services selected by CHIEF OFFICERS, the following actions will be taken:
1. When deemed appropriate (for priority services), the Operating department submits an agenda item to the BoS requesting approval to issue an IFB, RFP, or MS, with CHIEF OFFICERS recommendation attached.
  2. CHIEF OFFICERS will select an interdepartmental Evaluation Committee to review submitted bids/proposals and County cost estimate for recommendation to the BoS. The committee may also include outside consultants or other parties having no vested business or employment interest in the project. Maximum number of people on the selection committee is five. See "IV. Evaluation of Offers".
  3. Informational Meetings organized by Department Managers and attended by Human Resources will be held. The Office of the County Administrative Officer will publish a periodic newsletter to keep employees informed of the current competitive bidding projects.

### III. PREPARATION OF SOLICITATIONS (IFB/RFP/MS)

- A. A Specialist may be called upon to assist in the preparation of the solicitation along with a Procurement Officer. Policy/Procedure issues to be included or addressed in the solicitation include:
1. A level playing field to be established by CHIEF OFFICERS by basing solicitation evaluations on comparable data.
  2. County departments currently performing the service are encouraged to compete with other public/private entities.
  3. Prohibition against conflict of interest.
  4. All IFB/RFP/MS shall be reviewed by Human Resources and the County Attorney's Office, the Division of County Counsel ("County Counsel") for compliance with legal standards/statutes and applicable policies and regulations.
  5. Current department employees shall be given a "right of first refusal" for job opportunities.
  6. Competitive Analysis efforts will comply with the County's Reduction In Force policy.
  7. The cost of performance monitoring and contract administration will be included as a key cost factor in all competitive proposals.
  8. Where economically feasible and appropriate, the County will preserve some in-house service capacity.
  9. Where appropriate, a Performance Bond or alternative surety will be required of all outside vendors submitting bids.
  10. A contract monitoring mechanism will be included in all contracts awarded, including in-house bids. The contract monitor shall be a County employee. The cost for monitoring is to be recovered by the contract cost savings.

11. The bidding process will be in compliance with this policy and all procedures described herewith.
12. Contracts will include provision for services during emergency situations, and provision to meet peak service needs.
13. Remedies and penalties for contractor failure, including services not performed as specified, and service levels not maintained, shall be addressed in the contract.
14. Where applicable, an emergency procurement provision will be included in the Statement of Work.
15. Where appropriate, the actual cost for utilization of County assets may be borne by the contractor as specified in the contract. Examples of County assets include:

<u>Operational</u>	<u>Capital Outlay</u>
- Maintenance	- Building
- Depreciation	- Equipment
- Utilities	- Vehicles

Contracts awarded are not to include the acquisition of fixed assets except as authorized by the CAO and provided in the bid/negotiation process.

- B. The solicitation will include standard County contract specifications, as required in the Maricopa County Procurement Code, and those additional specifications as outlined below and as specified in the Competitive Analysis Policy & Procedure. These include, but are not limited to, the following:
1. General provisions.
  2. Bid and solicitation instructions to vendors.
  3. Contractor certifications and representations, including that they are not on the US Government Suspended & Debarred List of non-procurement/ procurement contractors, and any others deemed necessary.
  4. Performance Bond or alternative surety required.
  5. Proposal evaluation criteria other than price.
  6. A Statement of Work and Specifications.
  7. Services/items/capital required.
  8. Additional information regarding capital assets, facilities, etc.
  9. Liquidated damages for non-compliance, where appropriate.
  10. Specific monitoring plan.
  11. **Notice of Cost Comparison**, which explains the process for handling offers of County departments, and the **Evaluation and Award** clause will also cite the need for cost comparison, to be included in IFB/RFP's/MS's as outlined below:

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**Notice of Cost Comparison:** This solicitation is issued in accordance with the Board of Supervisor's Policy on Competitive Analysis, and is part of a County cost/service comparison to determine whether accomplishing the specified work under contract or by County performance is determined to be at the desired service level and at a reasonable cost. If the County determines that County performance is warranted, this solicitation will be canceled and no contract will be awarded.

The County's cost proposal will be based on the work statement in the solicitation and will be submitted by designated Department personnel to Materials Management in a sealed envelope not later than the time set for receipt of initial proposals.

In the RFP process, after completion of proposal evaluation, negotiation, and selection of the most advantageous proposal, the County will make a final comparison with the County bid before selection. All proposals including the County's shall become public information upon award.

**Evaluation and Award:** Award of any contract or cancellation due to the County providing services will be made after a comparison cost/service analysis and is subject to recommendation by the Evaluation Committee and approval of the BoS.

The solicitation response (the "Response") of the involved department will be developed by that department's designated staff who will limit knowledge of the offer contents to those persons with a need to know, excluding review by CHIEF OFFICERS prior to finalization for submission.

The department's Response will consist of 1) A cost proposal component to be developed for precisely the work to be performed at the level and quality as set forth in the solicitation; 2) Technical data component required to support the cost proposal. The department is assumed to have the technical capabilities if it is now performing the subject services. If the department is not currently providing subject services, it is assumed that it is capable of acquiring necessary resources to provide the services and shall describe how it will acquire those necessary resources.

It will not be necessary for the department to submit the following:

- Contractor certifications and representations, including that they are not on the US Government Suspended & Debarred List of non-procurement/procurement contractors, and any other certifications pertaining to outside contractors.
- Terms and conditions of the contract relationship.

The departments shall be subject to the terms of the IFB/RFP/MS as follows:

- Must meet submission deadlines.
- Section specifically referencing department requirement/action for cost/service level comparison.
- Statement of Work/Specifications.
- And other requirements as specified.

The RFP/IFB/MS will be written by the Procurement Officer, with the assistance of a technical specialist as needed, Human Resources, County Counsel, CHIEF OFFICERS, and advice as needed from other County departments including the department currently providing the service and/or public/private businesses without an interest in the project.



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To establish the validity of it's Response, the Operating Department will submit to CHIEF OFFICERS a cost proposal with detailed data supporting the cost estimate for County performance. CHIEF OFFICERS will review and identify budgetary implications, including availability of funds, verify accuracy, and reasonableness of methodology used in generating the data. *This cost proposal must be submitted at least 10 business days prior to the bid or proposal date. The information may be subject to revisions based on CHIEF OFFICERS verification and results of any pre-bid conference.*

Operating Department will then submit it's Response to Materials Management in a sealed envelope not later than the time set for receipt of initial proposals.

Materials Management will conduct the process.

CHIEF OFFICERS will oversee the process.

The Operating Department involved will notify Human Resources of the number of positions which may be effected by job classification if awarded the solicitation. Human Resources will coordinate all processes needed to ensure all County personnel policies are observed.

- C. Any County employee(s) may bid as a private entity on contracts for County services considered for analysis. Full disclosure of the employee's intent to bid and any potential ethics concerns or conflict of interest must be made to the Operating Department, CHIEF OFFICERS, Materials Management and County Counsel, prior to drafting of the bid or proposal instrument. County employees intending to bid privately shall not participate in preparing the Operating Department's Response to the solicitation, and the Operating Department's Response shall be held confidential until after contract award. The operating departments shall structure the competitive analysis process, as far as practicable, so as not to give the County employee an unfair advantage in the competitive solicitation. Operating Department employees who intend to bid as a private entity shall provide information as needed to CHIEF OFFICERS and Materials Management to facilitate preparation of the solicitation.

If the determination is made to analyze the service and award the contract to a County employee as a private entity, award of the contract may be conditioned upon the employee's resignation from County employment upon determination that such action is in the best interest of the County.

#### IV. EVALUATION OF OFFERS

- A. The evaluation committee shall follow the guidelines as set forth in the IFB/RFP/MS in conjunction with the Maricopa County Procurement Code, excepting that the following procedures and the Competitive Analysis Policy shall take precedence where not in violation of state law.

The evaluation process will treat the involved County department as it would a potential public/private bidder or proposer with respect to notification and confidentiality. In the review of the technical portion of any proposal, the Evaluation Committee may utilize the services of an employee of the affected department. Where feasible, this participant shall not be involved in or knowledgeable of the department's offer and will serve as a non-voting technical advisor only.

- B. For RFP's, all proposals received from the outside public/private sector will be evaluated by the Evaluation Committee. During negotiation and selection of the most advantageous proposal, the County will make a final comparison to the County Response before selection. All cost comparison forms and the related cost data in support of the cost proposed for the County performance will be made available to interested parties upon award.

If the most advantageous offer is that of an outside public concern or private party, the normal contract negotiation procedures are to be followed as required. If the County Response is the most

advantageous, all private offers will be rejected and the County department shall provide the service with the performance obligations cited in their Response. These performance obligations shall be incorporated into the department's goals and service levels. A follow-up evaluation of performance will be conducted via monitoring, as described in a later section.

- C. For IFB's and MS's at the time of the public bid opening, the County department's Response will be opened and evaluated along with all other bids. If the department's cost, is such, that accomplishment of the specified work by County performance would be more economic and efficient, the solicitation will be canceled and no contract will be awarded.

For those cases where the County is not the low bid, to determine if the low bid is responsive and responsible, the Evaluation Committee will review the bid to determine if it meets the specifications, and the contractor qualifications to assess whether the bidder is responsible. CHIEF OFFICERS shall review such determination prior to further procurement action. If the determination would result in award to another public/private sector bid, the normal notification process will be followed.

- D. The post evaluation process requires the Evaluation Committee to prepare a report for the BoS outlining the process that has taken place and making recommendation. Included will be supporting documentation on cost comparisons, and communications from the other public/private sectors if applicable. In all cases where contracts will be awarded, BoS approval of the contract prior to the onset of service is mandatory.

#### V. EXPANSION OF EXISTING COMPETITIVELY ANALYZED SERVICES

Once the County has completed the competitive analysis process of a service and the contractual time period has not expired, competitively bidding or rebidding the function will not be necessary in order to expand the service to other Countywide departments. These procedures provide a means of evaluating costs, for comparison purposes, in order to determine the most cost efficient means of providing expanded services. Any cost saving resulting from the expansion of existing competitively analyzed services may be allocated to the appropriate fund and reprogrammed for use as determined by the Board of Supervisors. CHIEF OFFICERS will provide management oversight of the procedures described in the following sections.

##### A. Expansion of County Provided Services

When a County department wishes to take advantage of cost savings and service delivery enhancements through the use of services previously competitively analyzed, they may do so through a post analysis cost comparison. County operated, and contracted services, may be analyzed for expansion.

The post analysis cost comparison process requires the using department to provide CHIEF OFFICERS with current departmental costs and complete an Employee Impact Form, Attachment "E", for analysis and comparison. Materials Management will review the existing service agreement or contract to determine if provisions exist for expanding services. If no provision exists for expanding services, Materials Management will solicit a bid from the service provider. A comparison of costs will determine the recommended service provider.

Materials Management will prepare a recommendation and place on the consent agenda the dollar impact and scope of expanded services for Board approval. Once approved, if the County department is not selected, Human Resources will immediately begin employee out-placement services as outlined in the Reduction-in-Force policy. Current department employees must be given a "right of first refusal" for job opportunities which could result from this expansion of services.

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All competitive analysis efforts in force or in progress at the time of adoption of this policy shall conform to this requirement.

## VI. PERFORMANCE MONITORING

### A. In-House Award

Performance monitoring will be in accordance with the original statement of work included in the IFB/RFP/MS. Monitoring costs will be identified in the Contract Analysis Sheet of the Maricopa County Contracting Cost Model. Actual costs and other measures of performance will be ascertained by an in-house monitor, with results reported to CHIEF OFFICERS. This shall also require a selected County department to clearly define goals and service levels for monitoring purposes at inception of service. If actual in-house costs exceed the cost of the bid, department management will be required to justify those variances to the BoS. Where service performance is below the standards set forth in the solicitation, department management will also be required to justify the variations to the BoS. which, if continued unchecked shall cause the contract monitor to schedule an Evaluation Committee meeting to determine the next step to protect the County's financial and operational interest.

### B. Contractor Award

Monitoring of the service as contracted, will be performed by an in-house contract monitor in accordance with the original statement of work included in the IFB/RFP/MS, and as identified in the Contract Analysis Sheet of the Maricopa County Contracting Cost Model. Materials Management will meet periodically with a representative from the Contractor to ensure satisfaction and resolve outstanding issues. If unable to resolve variances, remedies provided in the contract will be applied as appropriate, including that of contractor default.

### C. Contract Monitor Selection

The contract monitor shall be an employee of Maricopa County, selected to monitor performance, provide project administration and contract compliance. The contract monitor shall assist in any transition from or to County service. CHIEF OFFICERS will oversee the selection process. The cost for monitoring shall be recovered through contract cost savings.

## VI. BUDGET MONITORING

### A. Definitions

Account - The low org to which expenses and revenues are applied.

Activity - The word activity and the plural, activities, are used throughout this section to denote services, functions and operations that are procured through and related to the County-wide Competitive Analysis process.

Competitive Analysis - The use of public/private sector competitive bidding and partnerships in government operations and delivery of public services.

### B. Procedures

#### 1. Budget Process

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- Expenditures and revenues procured through the County-wide Competitive Analysis process are to be budgeted under a separate low org within the department responsible for operational monitoring. (Each activity analyzed is to be budgeted under separate low orgs.)
- The activities procured through the County-wide Competitive Analysis process will follow all budgeting guidelines including the approval process by the Board of Supervisors.
- To ensure compliance to the Board approved County-wide Competitive Analysis Policy the Chief Officers will be responsible for reviewing those activities' budgets prior to adoption.
- Those budgets not found to be in compliance will be reviewed for further recommendation by the Chief Officers.

## 2. Monitoring Process

- The office responsible for operational monitoring will ensure that the charges posted to the analyzed activity account do not exceed the approved dollars budgeted.
- If at any time during the contract period a negative variance is projected, the office responsible for operational monitoring will report the occurrence to the Chief Officers.
- Customer satisfaction surveys are to be performed by the office responsible for operational monitoring for each year the contract is in force. Outcomes are to be reported to the Chief Officers.

## 3. Year-End Process

- Each fiscal year, during the month of February, the office responsible for operational monitoring will provide an analysis of the operations with supporting measurements of outcomes, along with copies of financial support detail from LGFS to the Chief Officers.
- Deviations to technical specifications and/or expected financial year-end impact are to be reported to the Chief Officers with recommendations for remedies.

## VII. EMPLOYEE TRANSITION:

- If in a competitive bidding process the County department is not selected, Human Resources will immediately begin employee out-placement services as outlined in the Reduction-in-Force policy.
- Current department employees must be given a "right of first refusal" for job opportunities which could result from the award of contract.
- Transfers or reassignments within a department or to other departments will be used, where feasible, to provide for employee retention.
- The Employee Impact form, included in the contracting cost model, provides Human Resources with an assessment of the impact of analysis on department's employees.

**Attachment "A"**

**ANALYSIS**

Forms of Outsourcing Defined:\* These forms of outsourcing are illustrative only and may not all be legally available to the County.

1. Contracting with public/private firms, for profit or non-profit, to provide goods or services.
2. Vouchers allowing the public to purchase services from public/private firms available in the open market.
3. Grants and Subsidies, where public (governmental) sector makes monetary contributions to help other public/private organizations provide a service.
4. Franchise where monopoly privileges are given to a public/private firm to provide a service in a specific geographical area.
5. Asset Sale, where the government sells, or "cashes out," its assets to private firms or individuals to shift government functions to the private sector.
6. Deregulation where the county would remove its regulations from the service previously monopolized by the government in favor of other public/private provision of the service.
7. Volunteerism, where volunteers would provide public services.
8. Private Donation, where the county would rely on the private sector for assistance in providing public services.
9. Public-Private Partnership, where government conducts projects in cooperation with representatives from private firms, relying on private resources instead of spending tax moneys.
10. Service Shedding, where government drastically reduces the level of a service or stops providing a service so the private sector can assume the function.

\*Taken from "Analysis and Contracting for State Services: A Guide" by Keon S. Chi, published in the Council of State Governments "Innovations", Iron Works Pike, Lexington, Kentucky 40578 April 1988.

Attachment "B"  
(Revised 2/5/96)

OMB Acceptance:  
Date:

### CONTRACT ANALYSIS SHEET

CURRENT DEPARTMENT:

FUNCTION(S) ANALYZED:

ACCOUNTING STRING:

CONTRACT NAME AND IDENTIFIER:

<u>Functions</u> <u>Contract Replaces</u>	<u>Projected</u> <u>Total Costs</u>	<u>Projected</u> <u>Avoidable Costs</u>

**CONTRACT COST ANALYSIS:**

<u>Components</u>	<u>Considered?</u> <u>Yes or N/A*</u>	<u>Total Projected</u> <u>Contract Costs</u>
Contract Fee		
County Employee Impact		
Monitoring Costs		
Administration		
Audit		
Transition		
Other Costs		
Total Costs to Contract:		

\*If Yes, attach financial analysis with assumptions for Total Projected Contract Costs.

\*If N/A, attach explanation.

Prepared by: \_\_\_\_\_ Date: \_\_\_\_\_

s:\common\privatz\attach1.XLS

Department Approval: \_\_\_\_\_ Date: \_\_\_\_\_

**ACCOUNTING STRING:**

<u>DETAILED</u> <u>DESCRIPTION</u>	<u>OBJECT</u>	<u>SUB-OBJ</u>	<u>FULL-YEAR</u> <u>BUDGET</u>	<u>Y-T-D</u> <u>BUDGET</u>	<u>Y-T-D</u> <u>ACTUALS</u>	<u>VARIANCE</u> <u>B/(W)</u>	<u>ACTUALS</u> <u>ANNUALIZED</u>
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## PERSONAL SERVICES

**SUB-TOTAL PS:**

**SUPPLIES & SERVICES\***

**SUB-TOTAL S&S:**

**CAPITAL OUTLAY\***

**SUB-TOTAL CO:**

**TOTAL COSTS:**

**REVENUES:** Attach LGFS detail, explanation of revenues and estimated year-end revenues.

**AVOIDABLE COSTS:**

\*Actual cost for utilization of County assets included.

**Prepared by:**

**(Date)**

**Department Approval:**

**(Director)**

(Date)

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<b>Maricopa County Policies and Procedures</b>	<b>Subject: Countywide Competitive Analysis Policy</b>	<b>Number: B2001 Issue Date: 6/97</b>
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**Attachment "D"**  
**(Revised 2/5/96)**

## **WORKFLOW ANALYSIS**

**CURRENT DEPARTMENT:** \_\_\_\_\_

**FUNCTIONS:** \_\_\_\_\_

**NAME OF SERVICE:** \_\_\_\_\_

**New Service or Current:** \_\_\_\_\_

**If New Service, existing department/employee(s) desiring to perform service?** \_\_\_\_\_

**If Current Service, performed by County or Contractor?** \_\_\_\_\_

**Supply copy of applicable contract(s) currently in force.** \_\_\_\_\_

**Who benefits from the service?** \_\_\_\_\_

**Are revenues generated? If so, describe on separate sheet.** \_\_\_\_\_

**Scope: (Geography, frequency, etc.)**  
\_\_\_\_\_  
\_\_\_\_\_

**Brief description:**  
\_\_\_\_\_  
\_\_\_\_\_

**List in logical sequence the major steps involved in this function,  
and the purpose of the function.**  
\_\_\_\_\_  
\_\_\_\_\_

**Prepared by:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Department Approval:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**OMB Acceptance:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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<b>Maricopa County Policies and Procedures</b>	<b>Subject: Countywide Competitive Analysis Policy</b>	<b>Number: B2001 Issue Date: 6/97</b>
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Attachment "E"

**PRIVATIZATION EMPLOYEE IMPACT FORM**

(To Be Completed By Operating Department)

**BID SERIAL NUMBER & TITLE:**

**DEPARTMENT(S) IMPACTED:**  
**ACCOUNTING STRINGS AFFECTED**

**FUNCTION(S) INVOLVED:**

**COMPLETE THE FOLLOWING CONTRACTING IMPACT INFORMATION**

(Attach Separate Sheet If Needed)

<b><u>BUDGETED &amp; ACTUAL FTE'S</u></b>	<b><u>LOW ORG(S)</u></b>	<b><u>JOB CLASSIFICATION</u></b>	<b><u>POSITION FILLED OR VACANT</u></b>	<b><u>PERSONAL SVCS ANNUAL \$ IMPACT</u></b>	<b><u>OTHER OPERATING EXP ANNUAL \$ IMPACT</u></b>
<b># SUB-TOTAL</b>			<b>SUBTOTAL</b>	<b>\$</b>	<b>\$</b>
<b># SUB-TOTAL</b>			<b>SUBTOTAL</b>	<b>\$</b>	<b>\$</b>
<b># SUB-TOTAL</b>			<b>SUBTOTAL</b>	<b>\$</b>	<b>\$</b>
<b># SUB-TOTAL</b>			<b>SUBTOTAL</b>	<b>\$</b>	<b>\$</b>

<b>Maricopa County Policies and Procedures</b>	<b>Subject: Countywide Competitive Analysis Policy</b>	<b>Number: B2001 Issue Date: 6/97</b>
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<b>TOTAL FTE'S</b>		<b>TOTAL</b>	<b>\$</b>	<b>\$</b>
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